

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>CONSUMERS ENERGY COMPANY</b>	)	
for reconciliation of gas cost recovery costs and	)	Case No. U-17693-R
revenues for the 12-month period ended March 31,	)	
2016.	)	
_____	)	

At the March 28, 2017 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman  
Hon. Norman J. Saari, Commissioner  
Hon. Rachael A. Eubanks, Commissioner

**ORDER APPROVING SETTLEMENT AGREEMENT**

On June 30, 2016, Consumers Energy Company (Consumers) filed an application, with supporting testimony and exhibits, requesting authority to reconcile its gas cost recovery (GCR) costs and revenues for the 12-month period ended March 31, 2016.

A prehearing conference was held on September 15, 2016, before Administrative Law Judge Suzanne D. Sonneborn (ALJ). At the prehearing conference, the ALJ granted a petition to intervene filed by the Michigan Department of the Attorney General. The Commission Staff also participated in the proceedings. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

According to the terms of the settlement agreement, attached as Exhibit A, the parties agree that Consumers overrecovered a total of \$1,977,111, consisting of an overrecovery for

the period from April 2015 through March 2016 of \$356,644 plus \$1,620,467 of accrued interest owed by Consumers to customers. The parties further agree that the total overrecovery is subject to the roll-in treatment described in the company's tariff, Rule C7.2. The parties agree that approval of the settlement agreement is reasonable and in the public interest.

The Commission finds that the settlement agreement is reasonable and in the public interest, and therefore should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Consumers Energy Company's gas cost reconciliation for the 12-month period ended March 31, 2016 is approved.
- C. Consumers Energy Company is authorized to roll in the total overrecovery for the 2015-2016 gas cost reconciliation period of \$1,977,111 per the roll-in treatment described in Consumers Energy Company's tariff Rule C7.2.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov) and to the Michigan Department of the Attorney General - Public Service Division at [pungpl@michigan.gov](mailto:pungpl@michigan.gov). In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

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Sally A. Talberg, Chairman

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Norman J. Saari, Commissioner

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Rachael A. Eubanks, Commissioner

By its action of March 28, 2017.

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Kavita Kale, Executive Secretary

## STATE OF MICHIGAN

## BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of	)	
CONSUMERS ENERGY COMPANY	)	
for Reconciliation of Gas Cost Recovery	)	
Costs and Revenues for the 12-Month	)	Case No. U-17693-R
Period April 2015 – March 2016	)	
_____	)	

**SETTLEMENT AGREEMENT**

Pursuant to MCL 24.278 and Rule 431 of the Rules of Practice and Procedure before the Michigan Public Service Commission (“MPSC” or the “Commission”), the undersigned parties agree as follows:

1. On June 30, 2016, Consumers Energy Company (“Consumers Energy” or the “Company”) filed an Application requesting a reconciliation of its gas costs for the period April 2015 through March 2016 pursuant to Section 6h of 1982 Public Act 304, MCL 460.6h. The Company filed testimony and exhibits in support of its positions concurrently with its Application.

2. The initial prehearing conference in this proceeding was held on September 15, 2016 before Administrative Law Judge (“ALJ”) Suzanne D. Sonneborn. The parties to the case are Consumers Energy, the MPSC Staff, and Attorney General Bill Schuette (“Attorney General”).

3. Consumers Energy filed testimony and exhibits supporting full recovery of the cost of gas incurred by Consumers Energy for gas sold to its customers for the April 2015 through March 2016 Gas Cost Recovery (“GCR”) year. Consumers Energy calculated that during the 2015-2016 GCR year it experienced a cumulative over-recovery in the cost of gas sold totaling \$1,977,111. Consumers Energy proposed the calculated amount reflects an over-

recovery for the GCR period of \$356,644 plus accrued interest owed by Consumers Energy to customers for the GCR period, pursuant to Act 304, of \$1,620,467. It proposed refunding this amount to customers using the roll-in treatment described in the Company's tariff, Rule C7.2.

4. For purposes of settlement, the undersigned parties agree that Consumers Energy's 2015-2016 GCR reconciliation shall be approved as presented by the Company, with a total over-recovery for the 2015-2016 GCR period of \$1,977,111, consisting of an over-recovery for the GCR period of \$356,644 plus accrued interest owed by Consumers Energy to customers for the GCR period of \$1,620,467, which amount shall be subject to the roll-in treatment described in the Company's tariff, Rule C7.2.

5. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this Settlement Agreement are, and shall be considered, privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, neither the parties to this Settlement Agreement nor the Commission shall make any reference to, or use, this Settlement Agreement or the order approving it, as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

6. This Settlement Agreement is based on the facts and circumstances of this case and is intended for the final disposition of MPSC Case No. U-17693-R. So long as the Commission approves this Settlement Agreement without any modification, the parties agree not to appeal, challenge, or otherwise contest the Commission order approving this Settlement Agreement. The parties agree and understand that this Settlement Agreement does not limit any


party's right to take new and/or different positions on similar issues in other administrative proceedings, or appeals related thereto.

7. This Settlement Agreement is not severable. Each provision of the Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of the Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall be without prejudice to the pre-negotiation positions of the parties.


8. The parties agree that approval of this Settlement Agreement by the Commission would be reasonable and in the public interest.

WHEREFORE, the undersigned parties respectfully request the Michigan Public Service Commission to approve this Settlement Agreement on an expeditious basis and to make it effective in accordance with its terms by final order.

**CONSUMERS ENERGY COMPANY**

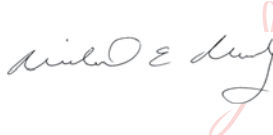
By:  Digitally signed by  
Bret A. Totoraitis  
Date: 2017.03.15  
16:08:02 -04'00' Date: March 15, 2017  
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Date: March 15, 2017